

**REAL ESTATE APPRAISER BOARD  
SEPTEMBER 20, 2005  
CONFERENCE ROOM A  
LOWER LEVEL, STATE OFFICE BUILDING  
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

**OPENING**

Chairman Dan Stoeber called to order the September 20, 2005 regular meeting of the Nebraska Real Estate Appraiser Board at 9:00 a.m. Board members Tim Kalkowski, Jim Bain, Kevin Kroeger, Sheila Newell and Dan Stoeber were present. Jill Ekstein, Director, was also present.

**NOTICE OF MEETING**

Chairman Stoeber announced the notice of the meeting was published in the Lincoln Journal Star, a newspaper of general circulation in Nebraska, as required by the public meeting law. The public notice and proof of publication relating to this meeting are attached and made part of these minutes.

**AGENDA**

Chairman Stoeber asked if there were any additions or corrections to the agenda. Newell moved to adopt the agenda as printed. Kroeger seconded the motion. The motion carried with Kalkowski, Bain, Kroeger, Newell and Stoeber voting aye.

**GUESTS**

Chairman Stoeber welcomed the guests in attendance. Present were Diane Moore, President of the Moore Group; Brad Moore; Perre Neilan, Government Affairs Director of the Nebraska Realtors' Association; and Susan Lore, Certified General Appraiser.

**MINUTES**

Chairman Stoeber asked for any additions or corrections to the minutes of the August 16, 2005 meeting. Bain moved to approve the minutes as printed. Kroeger seconded. The motion carried with Bain, Kroeger, Kalkowski and Stoeber voting aye. Newell abstained.

**DIRECTOR'S REPORT**

Director Ekstein commented on the busy month. She finalized the move to the new office space. Some of the new furniture had been received with the remainder to be delivered in October. Ekstein noted she had received the final report of the State Audit. She and Chairman Stoeber worked together to write the responses to the findings. All of the information had been published in the final report. Ekstein directed the Board to the website in order to review the agency audit report.

Ekstein explained the mileage rate has increased to \$.485 per mile effective September 1, 2005. Ekstein presented the Board with a summary report of the appraiser population.

### **CHAIRMAN'S REPORT**

Chairman Stoeber informed the Board that most of the information he would report on would be covered as the meeting progressed. He reminded the Board of the upcoming AQB/ASB meeting to be held in Washington D.C. in late October. Stoeber, Kroeger and Ekstein will attend the meeting. Chairman Stoeber told the Board he and the Director had visited with Joe Wilcox several times regarding the budget. He explained both he and Director Ekstein felt they had a good understanding of the budget process.

### **EXPENDITURES**

Director Ekstein presented the expenditure report. She informed the Board this month's report included expenses from August as well as the first part of September. The budgeted amounts had been entered into the NIS system according to the actual expenditures from the last fiscal year. She noted the complete appropriation had not been entered into the budget status report, so there were some funds still available to budget.

Kroeger moved to approve the expenditure report. Kalkowski seconded the motion. The motion carried with Newell, Kalkowski, Bain, Kroeger and Stoeber voting aye.

### **UNFINISHED BUSINESS**

#### **2006 Annual Fees for New Credentials, Renewals and Reciprocity**

Director Ekstein informed the Board she had completed some more research on the fee schedule in accordance with the budget. She felt setting the fees for new credentials, renewals and reciprocity at the current schedule would generate the needed revenue for 2006. Vice Chairman Kroeger reminded the Board the current fee schedule was \$100 for registered and \$200 for license, certified residential and certified general. This included the \$175 credential fee and the current federal registry fee of \$25.

Newell moved, in accordance with Statute 76-2241 and Title 298 Chapter 2 the Board set the 2006 renewal, new credential and reciprocity for the registered classification at \$100, for licensure, certified residential and certified general at \$175 plus the federal registry fee. Bain seconded the motion. The motion carried with Kroeger, Newell, Kalkowski, Bain and Stoeber voting aye.

#### **Prorating of New Credentials**

Director Ekstein addressed the prorating of new credentials. Ekstein stated she had been contacted by an applicant who had been approved at the previous meeting to take the exam. The applicant had passed the exam and called to inquire about receiving the earned credential. The applicant felt the fees should be prorated as the credential would have been issued only two months prior to renewal.

Newell referred to Chapter 6 of Title 298 explaining the applicant must pay the annual non-refundable fee established by the Board. Chairman Stoeber added if the Board was to address the issue of prorating fees it would have to be a change to the Appraiser Board Rules and Regulations.

### **Fees for Temporary Credentials**

Director Ekstein informed the Board the temporary fee for licensure was \$100, certified residential and certified general were \$150. Kalkowski asked to have the temporary credential defined. Director Ekstein explained a temporary credential is issued to a nonresident appraiser to engage in real estate appraisal for a specific assignment for a period not exceeding six months. The credential is valid only for the specific appraisal assignment.

Newell moved, according to Chapter 8 of Title 298 Section 4, the temporary credential fee for licensure to be set at \$100 and the fee for temporary certified residential and certified general be set at \$150. Kroeger seconded the motion. The motion carried with Kalkowski, Bain, Kroeger, Newell and Stoeber voting aye.

### **2008 AQB Criteria**

Chairman Stoeber explained the difference between the “firm date” scenario and the “segmented” scenario for the implementation of the AQB adoption of the Real Property Appraiser Qualification Criteria, effective January 1, 2008. The “firm date” scenario is a process of implementing the “New” Criteria where a state mandates that all credentials issued on or after January 1, 2008, must be based on the “New” Criteria. This would require applicants to complete the education, experience and examination requirements based on the “New” Criteria if the credential will be issued after January 1, 2008. The “segmented” scenario is a process of implementing the “New” Criteria where the requirements are broken into three basic segments of education, experience and examination and will hold the applicant to the Criteria in effect at the time of completion.

Vice Chairman Kroeger stated he believed the best scenario for Nebraska appraisers was the “segmented” scenario. He felt the flexibility of the segmented scenario would be more appropriate. All members agreed that the only acceptable “segmented” scenario would be to carry only the experience forward. Chairman Stoeber gave the example: An individual completes all the currently required education and passes the examination prior to January 1, 2008 but does not have the required hours of experience. This experience component would have to be satisfied under the “New” Criteria. Discussion followed as to the length of time the Board would allow this applicant to complete the experience. Discussion of one year or two years was considered. Vice Chairman Kroeger thought one year would be appropriate.

Board member Newell expressed her concern about the “segmented” scenario. Currently an individual applying for a licensed, certified residential or certified general credential must complete the education, experience and submit reports for review prior to the Board’s approval for the applicant to take the examination. If the Board allowed an extra year for experience, we could be setting them up to fail if the reports did not meet

minimum USPAP standards. Newell believed that appraisers are aware of the “New” Criteria and the only individuals that would be affected are those desiring Certified General or those beginning the appraisal profession. Board member Kalkowski asked for clarification as to the number of appraisers the implementation would affect. Discussion continued regarding the “firm date” scenario.

The Board took a ten minute recess.

The Board reconvened at 10:20 a.m.

Discussion continued regarding the implementation of the “firm date” or the “segmented” scenario. An end date of accepting applications prior to January 1, 2008 under the “segmented” scenario was discussed. This would allow the Board to process all applications under the current criteria prior to January 1, 2008. Brad Moore added that regardless of the scenario Nebraska chooses, eventually there would be a firm date and all appraisers would have to meet the “New” criteria.

Newell moved that Nebraska adopt the “firm date” scenario of the implementation of the “New” Criteria effective January 1, 2008. Kroeger seconded the motion. The motion carried with Kalkowski, Bain, Kroeger, Newell and Stoeber voting aye.

### **Mentor Program**

Chairman Stoeber explained the mentor program submitted by Trans American Institute of Professional Studies, Inc. The program was designed in three modules consisting of three appraisals: one complex and two non-complex. Lynne Heiden, author of the program, asked for 300 hours of experience for the participants of the program. Newell reminded the Board they had considered the program in March. The Board had agreed the program was professionally written, but at that time had decided not to pre-approve the hours of experience. Stoeber stated he felt the Board was approving the concept of the school mentor program for experience and not pre-approving the experience hours for each participant. Brad Moore asked for the AQB opinion on the mentor program for experience hours. Newell stated the AQB allowed up to 50% of the experience hours to be earned in a classroom setting.

Kroeger moved to approve Trans American Institute of Professional Studies, Inc. for the concept of granting experience credit for appraisals completed during the course for actual hours spent during the assignment with the entire program being outlined according to the letter dated January 31, 2005. The motion died with no second.

Kroeger moved the Nebraska Real Estate Appraiser Board approve for appraisal experience assignments taken through Trans American Institute of Professional Studies, Inc. through the mentor program as submitted for actual hours spent on the assignments and furthermore approve the mentor program in the classroom setting of the Trans American Institute of Professional Studies, Inc. Newell seconded the motion. The motion carried with Bain, Kroeger, Newell, Kalkowski and Stoeber voting aye.

The Board took a ten minute recess.

The Board reconvened at 11:15 a.m.

## **NEW BUSINESS**

### **Educational Offerings Procedures & Forms**

Chairman Stoeber invited Board Member Sheila Newell to talk about the new procedures and forms. Newell explained the new forms that had been created for the educational offerings as a result of the new AQB criteria and that these forms had not been updated for several years. Newell stated the procedures had been created using the Appraiser Board Rules and Regulations and the educational offerings and instructor forms were in compliance with the new AQB criteria. Stoeber clarified there were no major changes to the forms.

Kroeger moved to adopt the revised applications for qualifying education credit, continuing education, the renewal application for qualifying education and continuing education, and the application for instructor approval. Bain seconded the motion. The motion carried with Kalkowski, Bain, Kroeger, Newell and Stoeber voting aye.

### **Renewal Forms**

Director Ekstein explained that she had updated the renewal forms to indicate the 2006 renewal period. There were no major changes to the renewal forms other than she added the disclaimer for the collection of appraisers' social security numbers regarding the ASC Policy Statement 8. Chairman Stoeber added he had contacted the legal counsel for the ASC regarding the collection of social security numbers. Stoeber stated he had received a response from the legal counsel including the ASC Policy Statement 8 and a letter that had been written to the Utah Appraiser Board in 1997 when that Board had inquired about the collection of social security numbers as well.

Newell moved to approve the renewal forms as printed. Kroeger seconded the motion. The motion carried with Bain, Kroeger, Newell, Kalkowski and Stoeber voting aye.

### **Complaint Forms**

Newell explained she had created a form for complaints to be submitted to the Appraiser Board Office. She stated there is not a form used currently, but the Board had decided there was certain information that needed to be provided. For example, the Board will not accept anonymous complaints. Each complaint must include the name and contact information of the person filing the complaint. Newell suggested the Board consider the approval of the form and post it on the website. While the form is not mandatory, it could be suggested for use. Stoeber suggested the Board should encourage the use of the complaint form and give the Director the authority to accept the form as submitted or ask for more information as she deems necessary.

Bain motioned to accept the complaint form the way it's written and let the Director use her judgment as to how much of it needs to be filled out. Kroeger seconded the motion. The motion carried with Kalkowski, Bain, Kroeger, Stoeber voting aye and Newell voting no.

The Board took a 45 minute lunch break.

The Board reconvened at 12:35 p.m.

### **Temporary Permit Policy**

Director Ekstein explained she had received several temporary permit applications in which the engagement letter did not specifically address the appraiser applying for the temporary credential. Ekstein stated she had asked other jurisdictions and the ASC for direction. There are other jurisdictions that do not require the engagement letter address the specific appraiser; however, the ASC recommends the engagement letter should either be addressed to the temporary permit applicant or at least note which appraiser would perform the appraisal.

Kroeger moved that the Nebraska Real Estate Appraiser Board adopt the policy that applications for temporary permit include the name of the individual appraiser who will be completing the assignment. Newell seconded the motion. The motion carried with Bain, Kroeger, Newell, Kalkowski and Stoeber voting aye.

### **Experience Log Policy**

Director Ekstein asked for clarification of the policy for experience logs. She stated that she has seen some experience logs with one signature and some with the applicant's signature and a supervisor's signature. The Board confirmed the policy adopted that trainees must sign a report in order to receive experience credit. The trainee and supervisor must also sign the certification. Both the trainee and supervisor must sign the Board approved trainee/supervisor log.

### **Rules and Regulations – Appraiser Act**

Chairman Stoeber explained the Appraiser Board is ready to move forward drafting the Appraiser Act with the "New" Criteria. This needs to be completed in order to have a Senator introduce the bill. Stoeber asked for approval for Stoeber, Newell and Ekstein to begin working on the clean up of the definitions and the addition of the 2008 AQB criteria.

Kroger moved to authorize Director Ekstein and Board Members Stoeber and Newell to draft the changes to the statute. Kalkowski seconded the motion. The motion carried with Newell, Kalkowski, Bain, Kroeger and Stoeber voting aye.

## **GENERAL PUBLIC COMMENTS**

### **Suzi Lore, CG920111**

Chairman Stoeber introduced Susan Lore, CG920111, and invited her to address the Board. Suzi Lore provided the members with handouts which are made part of these minutes. She stated she was concerned about a Certified Valuation Analysis (CVA) that is a designation that Certified Public Accountants can earn. Suzi's concern is the person who has earned the certification is attesting to a value without developing an appraisal. Ms Lore felt the Board needed to be aware of the Certified Valuation Analyst. Chairman Stoeber thanked Ms Lore for bringing this information to the Board's attention.

### **Gary Brandt, CG920235**

Director Ekstein read the letter submitted to the Board by Gary Brandt. Gary asked the Board to consider allowing appraisers to take the 7 hour National USPAP update online. Chairman Stoeber reminded the Board providers were canceling classes in western Nebraska because there were not enough attendees registering. Stoeber reminded the Board there is a policy that the 15-hour USPAP course and the 7-hour USPAP Update cannot be taken online. Newell stated that the purpose of continuing education is to ensure that appraiser participate in a program that maintains and increases their skill, knowledge, and competency in real property appraising. Members agreed that USPAP is essential with classroom participation.

Vice Chairman Kroeger and Chairman Stoeber directed Director Ekstein to enforce the Policy that the 15-hour National USPAP Course and the 7-hour National USPAP Update must be taken in-class.

## **EDUCATION**

Director Ekstein informed the Board that the education files are incomplete. There appears to be no consistency among the records as to the expiration date for seminars. Director Ekstein asked the Board to consider using its authority stated in the Rules and Regulations and performing an internal audit on the approved education. Ekstein suggested asking each of the providers to renew the educational activities being taught by January 1, 2006, in order to establish a new system and a current list of approved education.

Diane Moore, The Moore Group, suggested that would entail a great deal of paperwork and it would not be possible to have the information provided to the Board by January. She felt it would hamper providers for the first few months of the year as providers would not be able to advertise educational activities while they were waiting for the Board's approval.

Kroeger moved the Nebraska Real Estate Appraiser Board adopt the policy for any continuing education offered after January 1, 2006, be resubmitted for Board approval a minimum of 60 days prior to the date the education is to be taught and the fee associated with the seminar will be based on the renewal fee and furthermore, the seminars can be

advertised prior to Board approval. Bain seconded the motion. The motion carried with Kalkowski, Bain, Kroeger, Newell and Stoeber voting aye.

Director Ekstein suggested the Board ask all of the providers submit the qualifying education courses for approval to the Board by July 1, 2006.

Newell moved to adopt the policy of all qualifying education be resubmitted to the Board for approval by July 1, 2006, based on the fee for new qualifying education courses. Kroeger seconded the motion. The motion carried with Bain, Kroeger, Kalkowski, Newell and Stoeber.

Newell moved to approve the new seminars and seminar renewals and instructors as presented by Director Ekstein. Kroeger seconded the motion. The motion carried with Kalkowski, Bain, Kroeger, Newell and Stoeber voting aye.

At 2:27 p.m., Vice Chairman Kroeger moved that the Board go into Executive Session for the purpose of reviewing qualifications of applicants and consideration of written complaints. A closed session is clearly necessary for the prevention of needless injury to the reputation of the individual or individuals involved in the personal matters relating to applications to be reviewed, performance and disciplinary matters to be considered. Bain seconded the motion. The motion carried with Kalkowski, Bain, Kroeger, and Stoeber voting yes. Board members and Director were present during closed session.

Kroeger moved the Appraiser Board come out of closed session at 3:03 p.m. Newell seconded the motion. The motion carried with Bain, Kroeger, Newell, Kalkowski and Stoeber voting aye.

Newell moved to approve the following applications:

**Registered**

R902 Michael Fleck

**Licensed**

L381 Mark Kopp

L396 William Waddington

L500 contingent upon applicant taking and passing the 2-day National USPAP taught by an AQB Certified Instructor in class.

**Certified Residential**

CR400 Boyd Long

**Reciprocity**

Certified Residential: Douglas Skarin



Newell continued the motion for the following applicants to:

L520 send the reports out for review

L501 disapprove with letter mailed to applicant

C107 disapprove

C401 send reports out for review

Kroeger seconded the motion. The motion carried with Bain, Kroeger, Newell, Kalkowski and Stoeber voting aye.

### **ENFORCEMENT**

Kroeger moved that the Board authorize the Director to contact the Attorney General's office in matters of disciplinary actions taken by the Board. Bain seconded the motion. The motion carried with Newell, Kalkowski, Bain, Kroeger and Stoeber voting aye.

### **PERSONNEL**

Kroeger moved that the Board go into closed session at 3:06 p.m. for the purpose of discussing personnel matters. A closed session is clearly necessary for the prevention of needless injury to the reputation of the individual or individuals involved in the personal matters being considered. Newell seconded the motion. The motion carried with Bain, Kalkowski, Kroeger, Newell and Stoeber voting aye. Kroeger moved that the Board come out of closed session at 3:13 p.m. Newell seconded the motion. The motion carried with Kalkowski, Bain, Kroeger, Newell and Stoeber voting aye.

Newell moved to ratify the Agency Director's decision of August 24, 2005, to offer full-time, at will employment to Connie Snider with an effective date of September 1, 2005, for the position of Staff Assistant II. This is an overtime-eligible position with a salary rate of \$12.99 per hour with those benefits and subject to those other conditions subject to the laws and other applicable provisions. Bain seconded the motion. The motion carried with Kroeger, Newell, Kalkowski, Bain and Stoeber voting aye.

Director Ekstein stated the next meeting of the Nebraska Real Estate Appraiser Board will be held October 18, 2005.

The meeting was adjourned at 3:19 p.m.

Respectfully Submitted,

Jill Ekstein  
Director

These minutes were available for public inspection on September 26, 2005, in compliance with Nebraska Statute §84-1413(5).